

Senate File 606 - Introduced

SENATE FILE _____
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SSB 1359)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to revenue for the construction and maintenance
2 of roads by establishing a TIME=21 fund for deposit of
3 revenues credited by law to the fund, and requiring evaluation
4 of revenue sources.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
6 TLSB 2934SV 82
7 dea/cf/24

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1 1 Section 1. NEW SECTION. 312A.1 DEFINITIONS.
1 2 As used in this chapter, unless the context otherwise
1 3 requires:
1 4 1. "Department" means the state department of
1 5 transportation.
1 6 2. "Fund", or "TIME=21 fund", means the transportation
1 7 investment moves the economy in the twenty=first century fund.
1 8 Sec. 2. NEW SECTION. 312A.2 TRANSPORTATION INVESTMENT
1 9 MOVES THE ECONOMY IN THE TWENTY=FIRST CENTURY (TIME=21) FUND.
1 10 A transportation investment moves the economy in the
1 11 twenty=first century fund is created in the state treasury
1 12 under the control of the department. The fund shall be known
1 13 and referred to as the TIME=21 fund. The fund shall consist
1 14 of any moneys appropriated by the general assembly and any
1 15 revenues credited by law to the TIME=21 fund. Moneys in the
1 16 fund are not subject to section 8.33. Notwithstanding section
1 17 12C.7, subsection 2, interest or earnings on moneys deposited
1 18 in the fund shall be credited to the fund.
1 19 Sec. 3. NEW SECTION. 312A.3 ALLOCATION AND USE OF FUNDS.
1 20 Moneys in the TIME=21 fund shall be credited and used as
1 21 follows:
1 22 1. Sixty percent for deposit in the primary road fund to
1 23 be used exclusively for highway maintenance and construction,
1 24 including purchase of right-of-way but not including project
1 25 planning and design. The following projects are eligible for
1 26 funding under this subsection and shall have funding priority
1 27 in the order listed:
1 28 a. Completion of projects on highways designated as access
1 29 Iowa highways pursuant to 2005 Iowa Acts, chapter 178, section
1 30 41.
1 31 b. Projects on highways in the commercial and industrial
1 32 highway network that are included in the department's
1 33 five-year plan, or in the long-range plan, for the primary
1 34 road system. Priority shall be given to projects in areas of
1 35 the state that have existing biodiesel, ethanol, or other
2 1 biorefinery plants.
2 2 c. Projects on interstate highways.
2 3 2. Twenty percent for deposit in the secondary road fund,
2 4 for apportionment according to the methodology adopted
2 5 pursuant to section 312.3C, to be used by counties for
2 6 construction and maintenance projects on secondary road
2 7 bridges and on highways in the farm-to-market road system. At
2 8 least ten percent of the moneys allocated to a county under
2 9 this subsection shall be used for bridge construction, repair,
2 10 and maintenance, with priority given to projects that aid and
2 11 support economic development and job creation.
2 12 3. Twenty percent for deposit in the street construction
2 13 fund of the cities, apportioned on the basis of population in
2 14 the manner provided in section 312.3, to be used to sustain
2 15 and improve the municipal street system.
2 16 Sec. 4. NEW SECTION. 312A.4 FUTURE REPEAL.

2 17 This chapter is repealed June 30, 2028.
2 18 Sec. 5. NEW SECTION. 307.31 PERIODIC REVIEW OF REVENUES
2 19 == EVALUATION OF ALTERNATIVE FUNDING SOURCES.
2 20 1. The department shall periodically review the current
2 21 revenue levels of the road use tax fund and the sufficiency of
2 22 those revenues for the projected construction and maintenance
2 23 needs of city, county, and state governments in the future.
2 24 The department shall submit a written report to the general
2 25 assembly regarding its findings by December 31 every five
2 26 years, beginning in 2011. The report may include
2 27 recommendations concerning funding levels needed to support
2 28 the future mobility and accessibility for users of Iowa's
2 29 public road system.

2 30 2. The department shall evaluate alternative funding
2 31 sources for road maintenance and construction and report to
2 32 the general assembly at least every five years on the
2 33 advantages and disadvantages and the viability of alternative
2 34 funding mechanisms. The department's evaluation of
2 35 alternative funding sources may be included in the report
3 1 submitted to the general assembly under subsection 1.

3 2 Sec. 6. TIME=21 REVENUE COMMITTEE.

3 3 1. The legislative council shall establish a study
3 4 committee for the 2007 legislative interim to address the
3 5 revenue needs of the TIME=21 fund created in this Act. The
3 6 membership of the committee shall consist of eight members of
3 7 the general assembly as follows:

3 8 a. Four members of the senate, two appointed by the
3 9 majority leader of the senate and two appointed by the
3 10 minority leader of the senate.

3 11 b. Four members of the house of representatives, two
3 12 appointed by the speaker of the house and two appointed by the
3 13 minority leader of the house.

3 14 2. The committee may consider the revenue options proposed
3 15 in the 2006 report prepared by the state department of
3 16 transportation entitled "study of Iowa's current road use tax
3 17 funds (RUTF) and future road maintenance and construction
3 18 needs", as well as any other revenue options and related
3 19 issues. The committee shall report its findings and
3 20 recommendations, including a proposal for funding the TIME=21
3 21 fund, to the general assembly by January 1, 2008.

3 22 EXPLANATION

3 23 This bill creates a new transportation investment moves the
3 24 economy in the 21st century fund in the state treasury under
3 25 the control of the department of transportation. The fund is
3 26 to be known as the TIME=21 fund. The fund shall consist of
3 27 revenues appropriated by the general assembly or credited by
3 28 law to the fund.

3 29 The bill allocates 60 percent of TIME=21 funds to the
3 30 primary road fund, 20 percent to the secondary road fund, and
3 31 20 percent to the street construction fund of the cities.

3 32 The bill specifies that funds allocated from the TIME=21
3 33 fund to the primary road fund shall be used for construction
3 34 and maintenance projects on access Iowa highways, commercial
3 35 and industrial network (CIN) highways that are included in the
4 1 transportation department's five-year plan or long-range plan,
4 2 and interstate highways. Projects on access Iowa highways
4 3 have the highest funding priority, followed by CIN highway
4 4 projects, with preference given to projects in areas with
4 5 existing biodiesel, ethanol, or other biorefinery plants.
4 6 Funds used for construction may be used for purchase of
4 7 right-of-way, but not for planning and design.

4 8 The bill directs that TIME=21 funds allocated to the
4 9 secondary road fund are to be used for construction and
4 10 maintenance of secondary road bridges and for construction and
4 11 maintenance of farm-to-market roads. At least 10 percent of
4 12 the moneys received by a county must be used for bridge
4 13 construction, repair, and maintenance with priority given to
4 14 projects that aid and support economic development and job
4 15 creation. The bill provides for allocation of TIME=21 funds
4 16 to the street construction fund of the cities on a population
4 17 basis, to be used to sustain and improve roads in the
4 18 municipal street system.

4 19 Provisions in the bill concerning the TIME=21 fund are
4 20 repealed June 30, 2028.

4 21 The bill requires the department of transportation to
4 22 continue to study the revenue levels of the road use tax fund
4 23 and report its findings and recommendations to the general
4 24 assembly every five years, beginning December 31, 2011. The
4 25 department is also required to evaluate alternative funding
4 26 sources for road maintenance and construction and report to
4 27 the general assembly at least every five years on the

4 28 viability of alternative funding mechanisms.
4 29 The bill requires the legislative council to establish an
4 30 interim committee composed of eight legislative members to
4 31 study funding options for the TIME=21 fund and report the
4 32 committee's recommendations to the general assembly by January
4 33 1, 2008.
4 34 LSB 2934SV 82
4 35 dea:rj/cf/24